

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|----------------|
| AN INQUIRY INTO INTRALATA TOLL |) | |
| COMPETITION, AN APPROPRIATE |) | ADMINISTRATIVE |
| COMPENSATION SCHEME FOR COMPLETION |) | CASE NO. 323 |
| OF INTRALATA CALLS BY INTEREXCHANGE |) | PHASE I |
| CARRIERS, AND WATS JURISDICTIONALITY) | | |

O R D E R

This matter arising upon the Commission's own motion to address matters relevant to the hearing to begin December 11, 1989 and it appearing to the Commission as follows:

1. The following issues will be addressed at the hearing concerning short-term (2 years) and long term (5 years) impacts:

(a) Evaluation of the degree of competition in the interLATA market and the intrastate resale market, and whether the interLATA experience is transferable to the intraLATA market.

(b) Technical availability of intraLATA equal access and the cost of intraLATA equal access conversion and "1+" presubscription.

(c) Consumer benefits that might result from intraLATA competition, including economic stimulation.

(d) Consumer costs that might result from authorization of intraLATA competition, including cost of developing and implementing a regulatory system to ensure viable and sustainable competition and the existing and projected impact on revenue requirements of Local Exchange Companies.

(e) The economic viability and sustainability of intraLATA competition, including existing and projected consumer demand by market segment.

(f) The impact of intraLATA competition on consumer surplus, market segments, economic efficiency, and universal service.

(g) Implications of authorization of intraLATA competition for plant duplication, modernization, and obsolescence.

(h) Extent of intraLATA competition that is in the public interest.

(i) Impact of authorization of intraLATA competition on existing telephone policy related to Extended Area Service, toll deaveraging, and carrier of last obligations.

2. Pursuant to Commission Order dated July 28, 1989, the hearing which will commence December 11, 1989 is to address whether intraLATA competition is in the public interest. The issues in this hearing may include general questions concerning implementation of intraLATA competition but will not include discussion of advantages or disadvantages of specific implementation options.

3. The parties' witnesses shall testify and be subject to cross-examination in the following order:

- a. AT&T Communications of the
South Central States, Inc.
- b. MCI Telecommunications Corporation
- c. U. S. Sprint Communications Company
- d. LDDS, Inc./AmeriCall Systems of Louisville
- e. The Attorney General of the Commonwealth

- f. AllTel Kentucky, Inc.
- g. Contel of Kentucky, Inc.
- h. Cincinnati Bell Telephone Company
- i. GTE South Incorporated
- j. The Independent Telephone Group
- k. Leslie County Telephone Company (TDS)
- l. South Central Bell Telephone Company

4. The order for cross-examination of witnesses shall follow the above-stated order of witnesses, except the Commission Staff will cross-examine first and the Attorney General may cross-examine second.

5. Each witness testifying shall be permitted to give a brief summary of prefiled testimony not to exceed 3 minutes.

6. Rebuttal testimony shall be permitted at the discretion of each party.

Done at Frankfort, Kentucky this 27th day of November, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director